

Town of Jerome

Owner Occupied Housing Rehabilitation Program Guidelines

April 13, 2016



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Introduction

The importance of housing in the United States was summarized in a report issued by the 93rd Arizona Town Hall in November 2008, as “a fundamental component of American life that affects, and is affected by, almost every aspect of our society... Safe, decent, affordable, and stable housing contributes to physical and emotional health, educational success, wealth, stability, and self-esteem.” Home is more than a roof over one’s head. It’s safety, a place of rest and nourishment, it’s where we are restored and where we thrive.

The preservation and development of adequate and affordable housing is a fundamental concern of the Town of Jerome’s government, public officials, and residents.

Need

Jerome recognizes that as the area’s senior population grows, as the low income population in the region remains high, and as housing stock ages, the need for housing rehabilitation programs has increased. Jerome promotes safe, adequate housing for the Town’s most vulnerable populations.

Based on previous housing rehabilitation program response, senior and disabled homeowners experience the greatest housing rehabilitation needs. 40% of the Jerome population is 60 years of age or older and 19% of the Jerome population is disabled (2000-2014 ACS data).

Additionally, it is important to recognize that 67% of the homes in Jerome were built before 1939. As such, many of these homes suffer from deferred maintenance and upkeep and are in need of repair and rehabilitation in order to persevere and extend their useful life. Because of the historic value of this community, it is important to maintain the historic nature of the homes in Jerome, while addressing substandard and dangerous conditions, as well as unmet accessibility needs.

Assistance with repairs will provide a safer environment for household members, help keep them in their homes, extend the life of the housing stock, preserve the historic nature of the homes, and generally benefit the community overall.

Housing Repair Program and Goals

The Town of Jerome intends to apply for Community Development Block Grant funds from the Arizona Department of Housing to assist low-to-moderate income owner-occupied households with Rehabilitation Services. The program will be available townwide to eligible participants. Neither the Town nor NACOG discriminates on the basis of race, color, religion, sex, national origin, familial status or disability.

The maximum investment per residence will be \$40,000, including expenses and rehabilitation services. The Town of Jerome Manager, in consultation with NACOG Housing Director, shall have the authority to exceed the maximum amount of assistance in the event of extreme need.

The management of hazardous materials (lead paint, asbestos, etc.) will comply with current Housing and Urban Development (HUD) standards.

Goals:

- ✓ To benefit very low to moderate income households in Town of Jerome by providing the opportunity for safe, decent and affordable housing.
- ✓ To assist low-income households with financial stability through the reduction of constant home repair and in some cases by decreasing utility costs.
- ✓ To improve and preserve the quality and appearance of the housing stock and the overall environment in the community.
- ✓ To coordinate with other available resources to maximize funds.

SECTION I - PROGRAM ELEMENTS

Eligible Beneficiaries

- ✓ Eligible applicants must be residents of the Town of Jerome whose incomes do not exceed 80% of the area median income in Yavapai County, adjusted for their family size. The household must be income eligible at the time the rehabilitation commitment is made to the homeowner. Income will be determined and verified per CDBG Guidelines.
- ✓ Eligible applicants must be legal residents of the United States.
- ✓ Eligible applicants must have owned and lived in their homes for at least 12 months prior to applying for the program.
- ✓ Eligible applicants must have fee simple title to the property.
- ✓ Eligible applicants must reside permanently and full-time in their homes.

Eligible Properties

- ✓ Eligible properties must be located within the incorporated limits of the Town of Jerome.
- ✓ The property must be owner-occupied for at least the prior 12 months, and beneficiary must certify that the property is and will continue to be occupied as their principal and only residence throughout the loan period.
- ✓ The home must be suitable for rehabilitation under the time and monetary constraints of the Program.
- ✓ Homeowner's insurance policy must be in effect throughout the term of any obligation to Town of Jerome for repayment of program funds. The policy must be in an amount consistent with the replacement value of the structure being rehabilitated.

Ineligible Properties

- ✓ Ineligible properties are those that do not meet the aforementioned eligibility requirements.
- ✓ Funds will not be granted for a property with the likelihood of foreclosure (e.g. behind on mortgage payments), pending judgments or bankruptcy, or which is listed for sale.

Eligible Activities

- ✓ Eligible home repairs include but are not limited to:
 - Roofs
 - Heating system
 - Cooling system

- Plumbing system
- Water heater
- Electrical system
- Bathrooms
- Accessibility retrofits
- Flashing
- Doors and windows
- Exterior steps
- Foundation
- Lateral sewer connections

Ineligible Activities

- ✓ Luxury items, such as pools, Jacuzzis, and fireplaces (except existing fireplaces which are the home's primary source of heat), are not eligible.
- ✓ Additions to existing structures are not eligible unless overcrowding is determined by HUD standards.

Basis of Assistance: Grant or Loan

- ✓ Eligible program beneficiaries will receive a non-interest bearing, forgivable loan for the entire amount of the construction cost, as well as all specific program expenses excluding rehabilitation services. The loan will be secured by a Deed of Trust, Loan Agreement, and Promissory Note executed by the Owner and Town of Jerome, and recorded with the Yavapai County Recorder's Office.
- ✓ The loan will not be called due as long as the dwelling is the principal and only residence of the owner or a qualifying immediate family member who has inherited the property and maintained full compliance with all applicable federal, state and county laws, regulations and ordinances. With respect to calling the loan due, the NACOG Executive Director may waive the residency requirement in a hardship case and reserves the right to make such decisions on a case-by-case basis.
 - The loan shall become due in full and payable upon breach of contract, default, discovery of fraud or misstatement on the application, if the owner no longer resides in the property as their principal dwelling, or upon the sale, exchange, or transfer of the property securing the loan. In the case of the death of the owner where a qualifying immediate family member inherits the property, Town of Jerome will continue the loan. Qualifying family member means an income-qualified blood relative or adoptive child who assumes the debt in the promissory note and consents to the Deed of Trust securing the principal sum of the loan in writing.

- ✓ The following circumstances will be considered evidence of default:
- Refinancing of any prior mortgage or deed of trust for the property resulting in increases in payment, reduction in term, cash out, reverse mortgage, or payouts to the homeowner of any kind. Town of Jerome agrees, however, to subordinate its Deed of Trust position to a new first mortgage for a refinance to obtain a lower interest rate and payment. In order to process a request for subordination, the following documents must be sent to the NACOG Housing Program Manager:
 - A current appraisal of the property;
 - A copy of the homeowner's application for a new loan;
 - A Transmittal Summary or MCAW for the new loan;
 - A Good Faith Estimate for the new loan;
 - A copy of the payoff statement for the current first mortgage;
 - A copy of the borrower's recent credit report; and
 - A letter from the new lender on lender's letterhead outlining the old loan amount, type, interest rate & term, pre-payment penalty, if any, and new loan amount, type, interest rate & term, pre-payment penalty, if any, and purpose of refinance, signed by the loan processor or underwriter.
 - The provisions of assistance allow the NACOG Housing Program Manager to review all subordination requests, as a lender would, to determine continued affordability to the Homeowners, and to determine risk of the Deed of Trust position. If approved, NACOG will prepare any necessary paperwork for Town of Jerome to secure its Deed of Trust position and forward it to the title company. This process takes approximately 2-3 weeks.
 - Rental. If Homeowner(s) rent(s) or lease(s), including an oral lease, the property to any person or entity, the Homeowner is in default except the Homeowner(s) may rent limited space, such as a room or basement to the extent permitted by the law of the jurisdiction and the grant funding source provided that the Homeowner(s) continue(s) to occupy the property as his or her (their) principal residence.
 - If all Homeowner(s) are continuously absent from the property for a period of more than sixty (60) days, or move substantially all of their personal possessions from the property, the Homeowner(s) shall be deemed not to be occupying the property as their principal residence and shall be in default.
 - Homeowner(s)' fraud or misrepresentation. Any willful misstatement of, or failure to disclose, a material fact by a Homeowner relating to his or her eligibility for assistance with respect to the property under the Owner-Occupied Housing Rehabilitation Program is a default.

- ✓ Forgivable loan documents will be on forms approved by the Town of Jerome Attorney and filed with the Yavapai County Recorder's office. Sample loan documents are included in the Appendix of these guidelines.

Determination of Loan Amounts & Recapture Periods

- ✓ Owner-Occupied Housing Rehabilitation loan amounts shall be based on the total value of the rehabilitation work as specified in the construction contract, including any change orders as approved by the NACOG Rehabilitation Specialist and the Homeowner. The loan shall also include project specific program expenses such as professional fees paid to outside consultants, fees for testing services for hazardous materials, title & recording fees, and storage and relocation costs when applicable. The loan shall not reflect any of the general administrative costs associated with the management of grant funds or rehabilitation services.
- ✓ The recapture period will be five years, with 20% per year forgiven.

Funding Source/Level of Assistance/Maximum Amount

- ✓ Funding for this program will be through the Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) program.
- ✓ The Town of Jerome Owner-Occupied Housing Rehabilitation Program can provide the following type and level of assistance:

Owner Occupied Housing Rehabilitation: Provides forgivable loans up to \$40,000 to repair primarily health and safety hazards. Examples of hazards include broken utility hookups, failing septic systems, open roofs, and inoperable heating equipment. Other eligible housing rehabilitation activities can be undertaken as long as any hazards are top priority.

The Town of Jerome Manager, in consultation with NACOG Housing Director, shall have the authority to exceed the maximum amount of assistance on a case by case basis. In all cases, documentation will be included in the project file detailing the nature of the extreme need, or unexpected expense, and the amounts required for correction.

SECTION II - APPLICATION PROCESSING

Application Process

NACOG Housing Staff will be responsible for the initial processing and screening of client applications. Potentially eligible applicants will be required to complete the application process and supply all required application verifications and documentation. The applicant will be responsible for gathering and submitting all information and documentation necessary to complete the application. If the applicant is not able to complete the application or submit the required documentation, it is the responsibility of the applicant to request assistance or withdraw the application, as appropriate. Qualified applicants will be ranked only when the completed application and all documentation are received. If required information and/or documentation are not returned by a reasonable specified deadline (typically 14 calendar days), the applicant will receive a denial of service notice with an explanation for the reason of denial.

Documentation will include proof of:

- ✓ Income (to be re-certified within six months of contract)
- ✓ Homeownership
- ✓ Household size
- ✓ Ages of all household members
- ✓ Disability of a household member
- ✓ Single parent status

Applicants will be assured of the confidentiality of information and will sign a release of information as part of the application, and will be informed of their rights to address a grievance.

Applicants requiring assistance due to disability or language barriers will be encouraged to contact NACOG at 928-213-5240 for assistance.

Acceptance of Application

Marketing will be performed by the Town and NACOG as needed. Applications will be accepted by the Town with a set deadline so that ranking can occur, and may continue on an ongoing basis, depending on the length of the current wait list. Town staff will mail or make available program applications to eligible beneficiaries. Potential applicants are required to sign a form verifying they have received and read written information explaining the parameters of the Program prior to receiving assistance. If acceptance into the program occurs more than 6 months after receipt of the application documents, the applicant must provide updated information and be recertified.

The program application is accompanied by a brief explanation of the program and a list of materials and supporting documentation that must be submitted to the NACOG Housing Department. The applicant may schedule an appointment with NACOG Housing Staff to receive additional guidance if needed.

Incomplete applications will be placed in a pending file, and will not be further processed until the applicant provides required information and or documentation.

Ranking System

NACOG, on behalf of Town of Jerome, utilizes a ranking system to prioritize the neediest residents. New applications will only be taken if the current waiting list has less than 15 applicants waiting. Applicants are ranked according to the following schedule. An eligibility list is maintained on an ongoing basis.

Applicants will receive points according to the following criteria:

Meet minimum requirements	10 points
Equal to or below 30% of AMI	10 points
Equal to or below 50% of AMI	5 points
Elderly applicant or household member (>62)	5 points (each)
Disabled family member	5 points (each)
Require ADA upgrades	3 points
Single Head of Household with minor children	3 points per child
Resided in community for more than 10 years	3 points

Reapplication

Applicants who have been deemed ineligible for the program are eligible to reapply at any time they can show that the circumstance(s), which resulted in the ineligible status, have been mitigated.

Grievance Procedure

In the event of a disagreement between any of the parties involved in the Owner-Occupied Housing Rehabilitation Program, namely the contractor, homeowner, housing staff, suppliers, or other interested parties, regarding any process of the program including, but not limited to the Procurement, Bid Process, Bid Award, Payment Schedule, Change Orders, Workmanship, and Warranties, a formal grievance procedure must be followed. Steps and periods are described as follows:

A. Informal Complaint

1. An informal complaint can be filed with the Town's Housing Program Administrator (NACOG's Housing Director) through verbal notification of the complaint at 928-778-2692.
2. The Housing Administrator will review the complaint and attempt to resolve the complaint through negotiation.
3. The complainant will be notified of the proposed resolution within 5 working days of the complaint.
4. If the proposed resolution is not satisfactory to complainant, a formal complaint may be filed.

B. Formal Complaint

1. Formal complaints shall be made in writing and directed to the Town of Jerome Manager, who will schedule a meeting with the Housing Administrator to review the findings.
2. Review of the complaint may include an informal hearing of the parties involved.
3. The Town of Jerome Manager shall provide a written response to the complainant within 10 working days.
4. The Town of Jerome Manager's determination is to be considered final.

This process has been created to resolve any complaints resulting from the Town of Jerome Owner-Occupied Housing Rehabilitation Program. If assistance is needed in processing a complaint, the Housing Administrator for the Town of Jerome Owner-Occupied Housing Rehabilitation Program may be contacted at 928-778-2692 and reasonable assistance will be arranged.

SECTION III - STANDARDS FOR REPAIR/REPLACEMENT

All work will meet the State of Arizona's Rehabilitation Standards, Arizona Registrar of Contractors Workmanship Standards, ADOH Guidance on New Weatherization Standards for OOHHR Housing Rehabilitation, and applicable state and local building codes.

Contractors will be required to obtain all required licenses and building permits. When appropriate, repairs will include energy efficiency measures, such as furnace replacements, windows, doors, etc. Energy and water conservation features will be included in the scope of work to the greatest extent feasible.

Since the entire Town of Jerome is a historic district, any exterior changes to a home will have to go through the Town's approval process. Homeowners are responsible for obtaining any and all necessary permissions in this regard from the Town's Planning & Zoning Commission and/or Design Review Board before work begins. Questions may be directed to the Town's Zoning Administrator at (928) 634-7943.

No luxury items will be considered, ie. fireplaces, swimming pools, etc. Additions to family rooms, recreation rooms, etc., will not be allowed. When it is necessary for health and safety, disability accessibility will be provided. Energy and water conservation features will be included in the scope of work as much as possible to the extent that they are practical and feasible.

Top Priority Items

These items relate to the general health and safety of the occupants and potential violations of local code. These items will be top priority for the work write-up on each unit (i.e. must be repaired or replaced prior to any other work).

- Hazardous materials.
- Health and safety hazards.
- Stable and weather tight roof.
- Failed septic system.
- Electrical system. The unit must have a minimum 100-amp electrical service, with no unsafe conditions.
- Plumbing (including hot water). Must be in good working order and be safe and sanitary.
- Heating and cooling system. Must be adequate / safe with a reasonable (5-year) useful life.
- Egress in accordance with local health and safety codes.

High Priority Items

The following items are high priority items that shall be included in the work write-up (funds permitting) and shall receive next priority in work to be completed as part of the rehabilitation project. Repair or Replacement may take place based on the amount of available resources.

- Structural soundness and integrity (including rotted or deteriorating materials and those impacted by termites or other wood-boring insects).

- Siting of structure and relationship to water penetration that may impact structural integrity.
- Appropriate kitchen facilities including a sink and means of cooling and heating food to healthful standards.
- If the structure has an attached garage, appropriately-rated fire wall between garage and living areas.

Each rehab specialist must determine, on a case-by-case basis, the priority of items not listed above.

SECTION IV - REHABILITATION PROCESS

Property Inspection and Bid Process

When an applicant has been declared eligible and is at the top of the priority list, NACOG Housing Department will schedule an initial inspection. The NACOG Rehabilitation Specialist then prepares the work write-up after consultation with the homeowner.

The Rehabilitation Specialist will prepare bid documents. Ads will be placed in local newspapers and with plan filing services to solicit contractor bids. If applicable, the pre-qualified contractor bid list will be mailed copies of materials. Only licensed contractors will be solicited; no part of the rehabilitation work associated with the CDBG funds shall be completed by the homeowner.

A mandatory pre-bid walk-through inspection will be conducted by the Rehabilitation Specialist to familiarize all contractors with the project and to give them ample opportunity to gather information needed to prepare their cost proposal. Changes to the project specifications may be made at this time. Proposals from contractors who have not attended the walk-through inspection will be rejected. The Rehabilitation Specialist will attempt to obtain at least three bids on each project, whenever possible. All bids will be returned to the Housing Rehab Services office by the time and date specified in the invitation to bid. Bids will be sealed and will be opened publicly at the date and time specified. Late bids will be returned unopened.

Contractor Selection

Housing Rehab Services will recommend the lowest responsible and responsive bid to the Homeowner. The lowest bid may be rejected if all or part of the bid is unreasonable or impractical and may result in substandard work. The Homeowner may award a higher bid if the dollar difference between the low bid and the selected contractor is deposited by the Homeowner into the Program account before the start of construction.

NACOG will check the Contractor on the HUD's List of Excluded Parties to assure they are not disbarred from working a federal project and with the Arizona Registrar of Contractors to assure they are currently licensed in the appropriate field. The Contractor will present a copy of his insurance and complete tax forms prior to beginning work.

The Contractor must obtain a Business License from the Town of Jerome prior to beginning work.

Once all required documentation has been reviewed and approved, the rehabilitation specialist will schedule a preconstruction conference with the contractor and homeowner to review project specifics and ensure that the homeowner has a clear understanding of what to expect during construction.

The projects are small and payment is made at completion, so contractor bonds will not be required. The Arizona Registrar of Contractors regulations require that currently licensed contractors carry bonds; proof of current license and ability to contract will suffice as proof of bonding.

Payments to Contractors and Change Orders

Contractors will be paid at the completion of the project. Contractors may request a change order, but only for problems that have arisen from work included in the bid package and cost proposal and only for problems that were unforeseeable at the time of the inspection. The NACOG Housing Rehabilitation Specialist may approve a change order request with the consent of the Homeowner. The Contractor will not be reimbursed for any work performed that is not included in the scope of work listed in the agreement or provided for by an approved change order.

Agreements, Construction Contracts and Other Documents

Please see exhibits for sample forms, contracts and other documents. These include the Application, Contract, Notice to Proceed, Lead Based Paint Notification, Deed of Trust, Promissory Note, and Grievance Procedure.

A check list is maintained in each individual file noting all documents and additional documentation such as income verification, property tax statement, title report, title insurance, etc. This checklist will reflect the type of documents included in each file and will note those that do not apply as "N/A".

Contractor Payments

The NACOG Rehabilitation Specialist will inspect the job to certify completion of the work, and the homeowner will sign off that the work has been completed and approved. The NACOG Housing Director will submit a check request to the Town of Jerome Manager, with attached documentation. The Town of Jerome Manager will approve payment and instruct Finance Department staff to issue a check for the requested amount. Staff will copy the check for file documentation and will release it to the contractor. The NACOG Housing Director will compile Request for Reimbursement documentation for submittal to the Arizona Department of Housing on a quarterly basis.

Warranties & Homeowner Education

The contractor will provide a warranty on all labor, materials, and equipment incorporated into the project consistent with Arizona Statutes in effect at the time of completion. Such warranties will be in the form of manufacturer's documents, installation manuals, and any other instructions for the maintenance and upkeep of installed items. NACOG Housing Staff will review these documents with the Homeowner and be available to answer any questions arising from the warranty process.

Tracking

The NACOG Housing Director is responsible for reporting procedures and for the maintenance of all case files. The Housing Director is also responsible for all performance reports to Arizona Department of Housing and for the maintenance of a current log of all properties that have participated in the Owner-Occupied Housing Rehabilitation Program.

The Housing Director is responsible for the contact and counseling of families regarding violations of conditions of the Program.

Loan Closing

NACOG, on behalf of Town of Jerome, will maintain the originals of all recorded Deeds of Trust and Promissory Notes, which include loan amounts, conditions and terms of deferral, for all applicants. If a forgivable loan defaults and/or the owner does not maintain ownership of the property for the required period of time, the repaid loan amount will be returned to Town of Jerome. The Town will then remit those funds to the Arizona Department of Housing. Properties that remain in possession of the Homeowner and do not default for any reason will be issued a lien release at the end of the deferral term.

An “after rehab value” of the property will be determined using online property value estimating sites such as Zillow, and will be kept as part of the file so that the Town can assess and demonstrate that they aren’t “overinvesting” in a unit.

Temporary Relocation Policies and Procedures

Program funds can be used to offer temporary relocation assistance to the homeowner and immediate family members living in the household when demolition or construction activities will make the home temporarily uninhabitable or hazardous. Such assistance will be limited to the provision of lodging, a per diem allowance for meals, and a temporary storage facility for the owner’s belongings if needed. The homeowner will be responsible for packing, storing, and transporting their personal belongings. Rehab Services will plan and coordinate each project so that the displacement is very short. There will be provisions in the contractor's contract to encourage timely completion and to require compensation if deadlines are not met.

It may be necessary to board a family pet when the household is temporarily relocated. The owner will get at least two quotes of per day costs from local pet boarding facilities. The Town of Jerome will pay the lowest rate. If the owner selects a facility other than the one with the lowest rate, the owner will be responsible for the difference in cost.

If appropriate to the specific rehabilitation project, the Owner will be notified that Temporary Relocation Assistance is available and the maximum amounts of assistance. Prior written approval for temporary relocation must be obtained from the Housing Director before construction starts. The Owner may stay with a family member or friend and does not have to accept full assistance. Motel arrangements will be the responsibility of the Owner. The Owner will sign the agreement with the motel, and then send it to Rehab Services. Rehab Services will pay the motel directly for the lodging cost. The Owner is responsible for any additional costs, such as catering, dry cleaning, etc. Only the relocation days will be covered. If a stay is a portion of a day, per diem (per person) will be calculated:

Breakfast	midnight until 11:00 am	\$ 5.00
Lunch	11:00 am to 3:00 pm	\$ 6.00
Dinner	3:00 pm to midnight	\$15.00

The Owner will not be entitled to reimbursement for any additional travel costs.

Maximum Amounts

Lodging	\$70/night/two beds
Per Diem	\$26/day/person

A "person" is defined as permanent member of the household. Rehab Services reserves the right to make the final determination of permanent household members.

Negotiated Amounts

Rehab Services may negotiate any lessor amount that seems reasonable for the relocation circumstances and as an enticement to keep costs down.

Modifications to this Relocation Plan may be made for reasonable accommodation to provide equal program accessibility.

SECTION V - MARKETING

General Public

The NACOG Housing Director will make every possible effort to inform and promote program awareness to eligible applicants. The Town will promote the program through its website, utility bills, newsletter, at posting locations, or other appropriate means. Informational flyers shall be developed and distributed to non-profits, and/or placed in strategic locations such as bulletin boards, local businesses. Other agencies that serve elderly, disabled and low income clients will be contacted for referrals. Local newspaper advertisements, notices and/or articles may also be utilized.

If assistance is needed in application preparation, including language barriers or accessibility limitations, the NACOG Housing Program Administrator may be contacted at 928-778-2692 and reasonable assistance will be arranged.

Marketing to Contractors

The Owner-Occupied Housing Rehabilitation Program follows the procedures for procurement and contracting as established in the Procurement and Contracting handbook distributed by the Arizona Department of Housing, CDBG Program. This handbook can be found on the Arizona Department of Housing website at azhousing.gov, and is available for review and reference by any interested persons.

Every effort is made to obtain a minimum of three bids for each project. Minority, small business, and women owned firms (using MBE, WBE, etc.) are encouraged to bid on all projects.

SECTION VI - ORGANIZATION & PROGRAM PARTNERS

Administrative Structure

Isabel Rollins, NACOG Housing Program Manager, will be the Program Administrator and will coordinate Program activities as needed with the Town of Jerome. The NACOG Housing Program Manager will communicate assignments to Rehabilitation Specialists and administrative support.

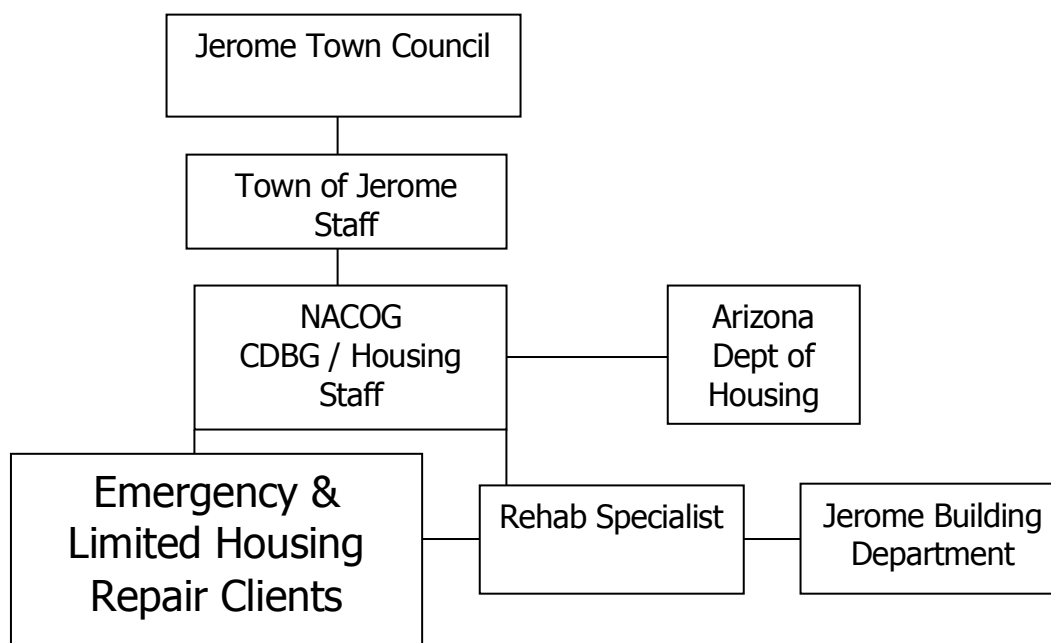
NACOG Housing Staff are responsible for marketing the Program, application intake, initial processing of applications, and submission of required reporting. Rehabilitation Specialist Services, which may be a contracted service, are responsible for inspections, work write-ups, cost estimates, procurement, bid procedures, recommendation for bid awards, preparation of contracts, issuing notices to proceed, interim inspections, final inspections and approvals for payment, submission of invoices for payment, and providing information necessary for reporting purposes. Town of Jerome will be responsible for certain required administrative functions such as signing the application, grant agreement, and close-out forms; and for the processing and payment of invoices.

Program Approval and Management

The Jerome Town Council is responsible for approving Program parameters and amendments, and approving the submittal of an application for funding. NACOG Housing Director is responsible for assisting with funding applications and administering the Program.

Administrative Organizational Chart

The following diagram illustrates the relationship between the various participants with regard to the Owner-Occupied Housing Rehabilitation Program:



SECTION VII – DEFINITIONS

- 1) **Income:** All wages, financial assistance, SS, VA, DES, spousal support, child support, unemployment, and any other income from any source for occupants of a household that are over age 18. Food stamps will not be considered as income. Income will be verified with the most recent tax returns, the last two paycheck stubs (four, if paid on a weekly basis) and/or a copy of bank statements covering the previous three months. If the applicant is retired or receives disability income, he/she will provide DES, SS or SSI verification forms. All court-ordered spousal and/or child support payments will be verified through the court.
- 2) **Family/Household:** All persons occupying the house including extended family, i.e. elderly parents, single or minor/dependent children with children. In the case of more than one family per unit, every effort will be made to refer the non-owner to another agency to decrease overcrowding. If this is not possible, the property may become ineligible due to monetary constraints in providing the proper number of sleeping rooms. In any event, the income of all household members over 18 years of age will be included.
- 3) **Homeownership:** means ownership in fee simple title or a 99-year leasehold interest in a one- to four-unit dwelling or in a condominium unit, ownership or membership in a cooperative or equivalent form of ownership approved by HUD. The ownership interest may be subject only to the restrictions on resale required under CFR 92.254(a); mortgages, deeds of trust, or other liens or instruments securing debt on the property as approved by NACOG and/or Arizona Department of Housing; or any other restrictions or encumbrances that do not impair the good and marketable nature of title to the ownership interest.
- 4) **Decent, Safe and Sanitary Housing:** means housing which relates to the general health and safety of all occupants. Minimum standards include the following which must be adequate, or be repaired or replaced before consideration of any other work:
 - a. Removal of hazardous materials,
 - b. Health and safety hazards;
 - c. Stable and weather tight roof;
 - d. 100-amp electrical service with no unsafe conditions;
 - e. Plumbing (including hot water) must be in good working order and be safe and sanitary;
 - f. Heating and cooling system must be adequate and safe with a reasonable (3-year) useful life; and
 - g. Egress in accordance with local health and safety codes.

- 5) **Program Income Records:** Records of all program income received will include the source of the program income: CDBG contract number, activity number and other identifying information; amount and date of receipt; date of deposit and location of depository; date, amount and purpose of each expenditure; and interest earned (if any) records which include the date and amount of such interest earned, interest rate and the depository of such interest.
- 6) **Project Completion:** means that all necessary title transfer requirements and construction work have been performed and the project complies with the requirement; the final drawdown has been disbursed for the project; and a Project Completion Report has been submitted and processed in the Integrated Disbursement and Information System (IDIS) as prescribed by HUD.
- 7) **Single parent/head of household:** means an individual who is unmarried or legally separated from a spouse; and a) has one or more minor children for whom the individual has custody or joint custody; or b) is pregnant.

APPENDIX - FORMS AND CHECKLISTS

- A. Income Guidelines
- B. Client Application Form (includes Grievance Procedure)
- C. Ranking Sheet
- D. Eligibility Criteria
- E. Protect Your Family from Lead in your Home (Lead Hazard Information)
- F. Income Calculation Form
- G. Notification of Potential Eligibility
- H. Inspection Checklist
- I. Homeowner Understanding and Agreement
- J. Contractor Information Form
- K. Homeowner/Contractor Contract
- L. Preconstruction Conference Form
- M. Notice to Proceed
- N. Change Order
- O. Conditional Waiver and Release of Liens
- P. Owner Acceptance and Approval for Payment
- Q. Deed of Trust
- R. Promissory Note
- S. Homeowner Education
- T. Client File Checklist